



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 26, 1997

H.R. 2007

A bill to amend the act that authorized the Canadian River reclamation project, Texas, to direct the Secretary of the Interior to allow use of the project distribution system to transport water from sources other than the project

As ordered reported by the House Committee on Resources on September 17, 1997

SUMMARY

H.R. 2007 would direct the Secretary of the Interior to allow use of the water distribution system of the Canadian River Project, a federal reclamation project, for transporting water from the Canadian River Conjunctive Use Groundwater Project (non-project water), a nonfederal water project currently in the design phase, to municipalities that are receiving water from the Canadian River Project (project water). The two supplies of water would be blended to reduce salinity in the existing supply and meet projected increases in water demand. Use of the Canadian River Project for transporting non-project water would be subject to a review of its environmental impact and a review and approval of the engineering design of the interconnection facilities.

CBO estimates that enacting H.R. 2007 would have no impact on the federal budget. The legislation would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The legislation does not contain any intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

Enacting H.R. 2007 would not impose any costs on the Bureau of Reclamation, the agency within the Department of the Interior that is responsible for managing the Canadian River Project. Based on information provided by the bureau, CBO believes that use of the Canadian River Project for transporting non-project water could occur under current law.

The Bureau of Reclamation and the Canadian River Municipal Water Authority (the entity that operates and maintains the Canadian River Project) have developed a Memorandum of Understanding allowing the proposed use of the Canadian River Project after the bureau reviews all plans and regulatory permits, verifies easements, confirms that the plan complies with the National Environmental Policy Act (NEPA), and executes a supplemental contract with the water authority. Any expenses that the bureau incurs—which would be less than \$100,000—are to be paid in advance by the water authority.

Under H.R. 2007, the bureau would complete the engineering and environmental reviews proposed in the Memorandum of Understanding and these costs would still be paid by the water authority. The environmental review would have to be completed within 90 days.

The Canadian River Water Authority, which has operated the project since 1968, would pay all incremental costs of operating the project, both under current law and under H.R. 2007. Similarly, all costs of constructing the project that will deliver the new supply of water, the Canadian River Conjunctive Use Groundwater Project, will be paid by nonfederal sponsors.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2007 contains no intergovernmental mandates as defined in the UMRA and would impose no costs on state, local, or tribal governments. Any costs incurred by the water authority as a result of the bill's enactment would be undertaken voluntarily.

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